

# Aero Country Property Owners' Association

PO Box 6329  
McKinney, TX 75071

«Address1»  
«Address2»  
«City», «State» «Zip»

## Proposed OPERATING BUDGET \$600 per lot

Recommended Operating Budget (per lot)				
	Actual 2021	Projected 2022	Recommended Budget 2023 (per lot)	Comments
East Side Lease	\$600	\$600	\$600	
Accounting	\$7,100	\$5,006	\$5,500	
Miscellaneous	\$500	\$500	\$500	
Legal	\$20,000	\$32,981	\$30,000	Discussion? Two battles on one single theme: membership (via board) has the right to control its own operations (flight school traffic and infringement of taxiway/runway easements)
Liability Insurance	\$18,000	\$16,600	\$18,000	
Meeting Expenses	\$650	\$650	\$650	
Runway Lighting	\$1,500	\$0	\$1,500	
General Maintenance	\$12,000	\$3,892	\$20,000	Underbudgeted in 2022, add seal coating
Runway & Taxiway Repair	\$20,000	\$1,275	\$5,000	
Mowing	\$17,000	\$18,000	\$18,000	
Office Expenses	\$4,200	\$630	\$500	
Community Outreach	\$1,000	\$0	\$1,000	
Signage	\$1,400	\$1,400	\$1,400	
Taxes	\$500	\$500	\$500	
Survey	\$4,000	\$0	\$0	Will delete the item going forward
Utilities	\$1,500	\$1,500	\$1,500	
Internet Service	\$1,000	\$1,500	\$1,500	
<b>Total</b>	<b>\$110,950</b>	<b>\$85,034</b>	<b>\$106,150 (\$600)</b>	

This meeting is being recorded. To speak, unmute by clicking on the microphone button on teams or press \* on a phone.

\$600 – Operating Assessment

\$400 – Capital Assessment

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\$1000 per lot – Total 2023 Assessment



MAIN  
ENTRANCE

MAIN  
ENTRANCE

OHIO DR.

E BLVD.

## November 19, 2022 General Membership Meeting

**WHEN:** Saturday November 19, 2022 – 10am

**WHERE:** Collin College Frisco Campus – Building J – Room J113

Over the last few years, your board has been working to build on the legacy of Aero Country and its 40+ year history by not only protecting what we have but also putting the airport in a strong position to flourish for decades to come. It started with tightening our voting and assessment system to form a strong foundation, and now we are working on fiscal and legal strategies to build on that.

### Legal

Over the past few years, you may have heard me talk about “Duty To Maintain”. That is the universal property law that basically says if multiple people have an easement to a piece of land, then they are all bound to contribute to its upkeep. Our research showed that we could use this to assess all lots at Aero Country equally, which is important to the long-term financial stability of the airport. It was during this research that we also discovered a section of law called Common Interest Community (CIC). It’s not actually a law... It’s called a “restatement.” This means all of the case law on the subject of easements/neighborhoods/communities/HOA/etc around the country was gathered and “restated” in plain English. There are 24 Restatements currently used by US courts.

I can easily write 10 pages to describe CIC, but most people don’t want to dig that deep, so here’s a quick summary.

- Aero Country meets the definition of a Common Interest Community, because we all have an easement to use the common areas (runway, taxiway, and road)
- Common Interest Community is not something we have to declare. We either meet the definition or we don’t. There is nothing to vote about.
- Part of being a Common Interest Community is that the members all have a *duty to maintain* the common areas of the airport. Everybody that benefits from the easement has a legal obligation to maintain it, regardless of whether or not you use it.
- Common Interest Community also allows for the community to govern itself *even if the original developer failed to put that structure in place*. Here’s a quote directly from the restatement: “Failure of the governing documents to provide the powers that are implied under this section typically reflects inadequate attention by the developer rather than deliberate choice by the purchasers. The property owners should not be saddled with incurable problems as a result of the developer's failure to provide needed management and governance powers. Recognition of these implied powers is designed to permit adequate maintenance and enforcement of the servitudes and thereby preserve the desirable character of the community.”

It is our belief that the membership’s understanding and embracing the fact that Aero Country is a Common Interest Community puts the membership on the strongest possible legal and financial footing and will allow the airport to protect itself and thrive in the years to come.

This of course needs discussion. The membership deserves to know and explore the rights and obligations of a Common Interest Community. The board is obligated to provide you this and therefore will hold information sessions prior to the May general membership meeting. This will give us a chance to talk more in depth about what all of this means to the airport and to answer the questions and concerns that the membership has on the subject.

## Financial

As a matter of **accountability from 2021**, all three actions approved by the membership in November 2021 have been accomplished. Most notably, the membership now has a long-term capital planning document from which they can anticipate, approve, and track what our collective obligations will be over 5-10 years.

**The balance sheet remains solid.** As of the September 2022 financials (the most recent used as of this writing), financial assets are \$364,000. Accounts receivable, fixed assets and accumulated depreciation result in a balance sheet asset value of \$498,000, which is about even with 2021. We have no short- or long-term liabilities, and as a non-profit, Owners Equity is an accounting plug that also totals \$498,000. Income expectations in 2022 (from dues, commercial operations, etc.) were to be ~\$110,000 and we collected \$92,000. The difference is largely due to non-payment or partial-payment of dues by members. Expenses were purposely drawn down over \$20,000 from 2021 and were set to maintain the airport, but not to over-collect capital from you, knowing we have a long-term planning effort underway. We were probably too aggressive, and we will overrun expenses slightly in 2022, and the budget overruns will be shown at the meeting.

The purpose of our **long-term capital plan** is to show the members two options for future funding of the expenses and the capital needs (to resurface roads, taxiways and the runway). The members will see that the past many years of paying about \$550-600 total assessment per lot covers our annual expenses with little “saved” for capital projects. I trust that the membership has been saving for assessments needed to maintain the capital assets of the airport and will present that the capital needs are \$1.75M over the next 6-9 years. In the meeting, I will facilitate a discussion, and the members will need to approve a way to catch-up and pay for these large expenditures (although only 2023 budget is submitted for approval). This was discussed last November and in information sessions this year.

Thus, for 2023, we propose **an operating budget of \$600** per lot for operational expenses (mowing, legal, internet, etc). Detailed budget categories are included in this mailing and will be discussed in the membership meeting.

Also, for 2023 we propose **a \$400 capital assessment per lot** to begin funding capital projects that are needed now. This \$400 is below the level we will need in the long run but will lessen the burden in this first year of raising money via capital assessments and allow “breathing room” for discussions about how to proceed with future capital assessments. These discussions will happen at the same time as the Common Interest Community discussions noted above as they are inseparable.

For reference, total assessments (operating plus capital) will need to approach over \$2000 per lot in order to pay for the upcoming capital needs from 2023 to 2029.

David Buono  
President, ACPOA

Jon Scholl  
Treasurer, ACPOA

**Aero Country Property Owners Association**  
**General Membership Meeting – November 19, 2022**

**Voting Member Name (please print)** \_\_\_\_\_

**Budget - \$1000 per lot**

For  
 Against

**Comments** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Member Signature** \_\_\_\_\_

**or**

**Proxy Holder Signature (if applicable)** \_\_\_\_\_

Member Mailing Address \_\_\_\_\_

Member Hangar Address \_\_\_\_\_

Member Telephone Number(s) \_\_\_\_\_

Member Email Address \_\_\_\_\_

Please print clearly

## AERO COUNTRY PROPERTY OWNERS ASSOCIATION

General Membership Meeting  
Saturday, November 19, 2022

### PROXY

It is very important to fully exercise your voting rights; therefore, your presence at the meeting is important. However, if you are unable to attend, please give your proxy to someone that will be at the meeting. This could be a fellow association member or the board of directors. As an alternative, you may return your ballot to the Aero Country Property Owners Association via one of the following methods:

Email:	Scan or take a picture of a <u>completed and signed</u> ballot and send it to: <a href="mailto:board@aerocountry.org">board@aerocountry.org</a>	Mail:	ACPOA Board P.O. Box 6329 McKinney, TX 75071
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Drop-off:	We have set up a temporary drop box on the airport at the corner of Aero Country Rd and Mooney Dr. The box sits on Ladd Gardner's property and sits at the base of the "Mooney Dr" street sign.
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The deadline for ballots is as follows:

**Email:** Must be received no later than 5pm on the Monday after the meeting

**Mail:** Must be postmarked no later than the Monday after the meeting

**Drop Off:** Must be deposited in the drop box no later than the Monday after the meeting at 5pm

### Proxy Statement

I, \_\_\_\_\_ (print your name) do hereby assign  
\_\_\_\_\_ (printed name of member to vote your proxy) to cast my votes as my attorney in fact with full power of substitution as proxy to appear and present this form to constitute a quorum for the membership meeting on Saturday, November 19, 2022, of the Aero Country Property Owners Association.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Note: Unclear or unsigned proxies will NOT be counted. This proxy is only revocable by the member designated herein appearing in person at this membership meeting.

### From the Treasurer:

In order to vote, all assessments and finance charges must be paid and received by the treasurer no later than the Wednesday before the meeting. Please contact the treasurer with any questions.